McClellan Halts Consumer Bill Action

By Jack Anderson

Grim, grumpy Sen. McClellan—(D-Ark.) has issued secret orders to one of his subcommittees to hold up action on the consumer protection bill until after the Arkansas primaries.

The redoubtable, 76-year-old crimebuster is fighting for his political life against a 37-year-old challenger, Rep. David Pryor — (D.-Ark.). The campaign will have its high noon on June 13 when the pair will meet in a primary runoff.

Meanwhile, McClellan doesn't want to alienate Arkansas' consumers by voting against consumer protection. But he also can't afford to upset the business interests that have supported him for the past 30 years.

The old man himself is a stockholder and director of Little Rock's largest bank, First National, and the 23-store Dillard Department store chain.

Indeed, the president of Dillard's Arkansas Division, Ray Kemp, acknowledged to my associate, Les Whitten, that McClellan was selected as a Dillard director in 1969 because of his "influence."

While McClellan has been campaigning in Arkansas, the consumer protection bill has been gathering dust in the Senate executive reorganization subcommittee. The bill has been pushed by consumer advocate Ralph Nader who is seeking to establish federal advocates within the government to battle for the consumers.

On the House side, Rep. Chet Holifield—(D-Calif.) got into a verbal slug-out with Nader over the bill, but a watered-down version finally passed the House in October. Now it is up to the Senate to act.

Big business lobbyists huddled secretly in Washington's fashionable Madison Hotel on April 14 to discuss how to sabotage the bill.

They didn't know that McClellan, as chairman of the parent Senate Government Operations Committee, had already ordered the subcommittee to hold up the bill until after the primaries.

Faced with this ultimatum, the subcommittee had no choice but to accede to his unusual demand.

Footnote: McClellan supported a weak version of the Nader bill in 1970 when there was no political heat on him from Arkansas.

Taxpayers and ITT

International Telephone and Telegraph, the embattled conglomerate, has been reassuring its stockholders not to worry about the seizure of its assets in Chile. The American taxpayers will make up most of the losses, ITT has promised soothingly.

This shouldn't surprise those who followed the Senate hearings on how ITT finagled an antitrust settlement from the Justice Deparement. But it has stunned the Overseas Private Investment Corporation, which ITT expects to pick up the tab for its Chilean losses.

OPIC, as it is called, a federal agency which collects insurance premiums from private American corporations. The premiums go into a pool, which compensates firms whose assets are seized by foreign governments.

The trouble is that the American taxpayers will get stuck if the seizures exceed the premiums. The pool is now down to $115 million, because of President Salvador Allende's wholesale takeovers in Chile. Yet in Chile alone, there are claims over $214 million against OPIC.

ITT, meanwhile, has notified its stockholders that OPIC will reimburse the conglomerate $89.6 million for the loss of its interests in the Chile Telephone Company. This is news to OPIC, which hasn't yet figured out what the telephone company is worth.

Yet, astonishingly, ITT's 1971 annual report lists the $89.6 million claim as a "current asset," insisting it is already receivable.

"We have no idea how they arrived at this figure or why they put it in the annual report," a bewildered OPIC spokesman told us. "They certainly didn't consult us about doing it."

The telephone company, incidentally, was merely the first of the ITT seizures. Thus, the taxpayers may have to bail out the great conglomerate for its political bungling in Chile. For most of its properties were seized in retaliation for ITT's abortive attempt to keep President Allende from taking office.

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